REMARKS

Claims 15-18 stand rejected under 35 U.S.C 112, second paragraph, as being indefinite. Claim 15 has been amended to replace "the transfer case" with "the first transfer case" in accordance with the suggestion of the office action, thereby overcoming the basis for this rejection.

Claims 1-20 stand rejected under 35 U.S.C. 102(b) as being anticipated by Hayakawa (the '262 patent). Both independent claims, claims 1 and 12, have been amended to more specifically define the present invention over the cited prior art. Figure 2 of the '262 patent discloses a transfer case having a planetary gear set whose sun gear is driveably connected to the output shaft of an automatic transmission, and whose carrier is driveably connected to a first output of the transfer case. The planetary gear set includes a ring gear and a set of planet pinions driveably supported on the carrier and meshing engagement with the sun gear and ring gear. The first clutch C₃ driveably connects the sun gear and carrier, the second clutch B₄ fixes the ring gear to the transfer case.

The independent claims, claims 1 and 12, specifically recite that the planetary gear set of the subject application includes a ring gear that is driveably connected to the output of an automatic transmission, a sun gear, a carrier that is drivably connected to the primary output, and a set of planet pinions rotatably supported on the carrier in continual drivable engagement with the sun gear and ring gear. The first clutch 54 driveably connects the ring gear and the carrier, but the second clutch 56 hold the sun gear against rotation, whereas the '262 patent describes a transfer case in which the second clutch B₄ holds the ring gear against rotation. When producing the low range with the gear set of the present application, the ring is the input, the sun gear is held, and the carrier is the output. This arrangement produces a higher output speed for the same input speed than does the arrangement of the '262 patent.

The Office action objected to the drawings because the examiner believes that a transmission body structure with valves must be shown in the figures. We respectfully

refer to page 5, lines 2-5 where it is disclosed that the clutches of the transmission and the friction bands are connected by fluid passages to control valves 44 located in a valve body 47. Figure 1 shows hydraulic fluid passages represented by phantom lines extending from the valve body 47 and the several control valves 45 leading to the clutches and friction bands.

The amended claims of the subject application patentably distinquish the transfer case disclosed here from the prior art. Claims 1-20 appear now in condition for allowance.

Respectfully submitted,

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